

Government of the District of Columbia
Department of Insurance Securities and Banking



Thomas E. Hampton
Commissioner

July 2, 2009

Advisory for Mortgage Loan Originators and Their Sponsors

Subject: New District of Columbia License Requirement and Use of the Nationwide Mortgage Licensing System

The Department of Insurance, Securities and Banking (DISB) will begin using the Nationwide Mortgage Licensing System (NMLS) starting on **August 3, 2009**, to license mortgage loan originators. The NMLS will allow you to manage your mortgage loan originator license in an electronic format through a secure website.

DISB has joined the NMLS in order to comply with the federal “Safe and Fair Enforcement Mortgage Licensing Act of 2008” ([SAFE Act](#)) that requires the licensing of mortgage loan originators and calls for:

- pre-licensing educational requirements,
- background check including fingerprinting,
- national and state testing, and
- continuing education requirements.

To implement the SAFE Act’s requirements locally, the District has passed the “[Mortgage Lender and Broker Amendment Act of 2009](#)” requiring the licensing of mortgage loan originators and their sponsorship by a District licensed mortgage broker or lender. The District has also issued corresponding [regulations](#).

The NMLS will allow you to manage your mortgage loan originator license with the District, as well as other participating states, and can be found at the “Loan Originator” link at <http://www.stateregulatoryregistry.org>. It provides instructions on how to access the system and guides on how to complete the standardized application forms including the “MU4 – Uniform Individual Mortgage License/Registration & Consent Form”. **Note:** If you have previously submitted a Form MU4 for a mortgage loan originator license from another state, you do not need to re-enter your record into NMLS. You will only need to add pertinent information regarding your application for a District license.

Sponsor

Applicants for a mortgage loan originator's license are advised to consult their sponsor before logging into the NMLS and completing a Form MU4 given the sponsor will also have a significant role in the application process.

District licensed mortgage brokers and lenders that intend to sponsor mortgage loan originators for a District license must first create a record in the NMLS and submit the "MU1 – Uniform Mortgage Lender/Mortgage Broker Form" in order to link the company's information to the mortgage loan originator's application submitted on the MU4. The company should submit its information prior to the submission of the mortgage loan originator's MU4 application.¹

Sponsor to Satisfy Mortgage Loan Originator Bond Requirement

District law requires the sponsor's surety bond to cover its sponsored mortgage loan originators.

Schedule

Applications for a District mortgage loan originator license may be submitted through the NMLS starting **August 3, 2009**. DISB has up to 60 days to process the applications. Licenses will be effective on the date of issuance and will expire on **December 31, 2010**. By law, all licenses will expire at December 31 each year and will require annual renewal.

In order to comply with the pre-licensing and test requirements, the NMLS is presently working with prospective vendors to authorize suitable education courses and tests that will qualify for use by mortgage loan originators. It is anticipated that such courses and tests will be available within the next few months. Given that the courses and tests are not presently available for use, mortgage loan originator licenses will be approved but conditioned on fulfilling these requirements by **July 31, 2010**. Further information on approved courses and tests will be posted on the NMLS as soon as it becomes available.

¹ **How to Access NMLS**

In order to gain access to NMLS for the first time and create a record, go to the NMLS website and complete a Company Account Request Form and identify a Primary Account Administrator and a Secondary Account Administrator. This form can be submitted electronically through the NMLS website in the "Getting Started" section. If your company has already created a record on NMLS, then you do not need to complete this step.

Fees

The District's mortgage loan originator license application fee of \$300 will be collected with the submission of the application via the NMLS. The NMLS will also impose certain fees for the creation of a record, submission of an application, and the conduct of a background check.

All fees are nonrefundable.

Contact Information

Questions regarding use of the NMLS, license application requirements, and license application status should be directed first to the NMLS Call Center at (240) 386-4444.

This advisory and other information regarding District law, regulations and advisories, as well as links to the NMLS, are available on the Department's website at www.disb.dc.gov -- then click on Banking, then Nationwide Mortgage Licensing System.

Information regarding the District's licensing requirements may be directed to Samuel Fuller, Bank Examiner, (202) 442-7839 or at samuel.fuller@dc.gov. Comments may also be directed to the BankingBureau@DC.gov or by contacting the receptionist at 202-727-8000.

Howard Amer, Associate Commissioner for Banking